GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3759
ANSWERED ON:30.04.2007
PRICES OF MEDICINES
Bose Shri Subrata

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the increase in percentage recorded in the prices of medicines during the last three years;

(b) whether permission has been sought from the Union Government for increasing the price of any of the medicines;

(c) if so, the names of such medicines aiongwith the details of the permission granted for the price rise; and

(d) the details of medicines whose prices have either come down or have been reduced during the said period?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (d): The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed / revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. These drugs have been kept under price control on the basis of criteria mentioned in `Modifications in Drug Policy,1986 , announced in September, 1994. The price fixation/revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95. Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

Prices of medicines in India have increased at a lesser rate than prices of general commodities as would be clear from the above table.

% Change in WPI Over preceding year (Source : Ministry of Commerce & Industry)

YEAR	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Drugs & Medicines	5.85	3.48	0.71	2.55	2.37	4.10
All Commodities	7.16	3.60	3.41	5.46	6.48	4.41

Provisional

Note - WPI for the year 2006-07 has not yet been finalized.

As part of its price monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations on the basis of internal guidelines formulated for this purpose. These guidelines are reviewed by the NPPA from time to time based on experience. These guidelines are uniformly followed for the whole Pharma Industry.The year wise details as well as increase in prices of scheduled medicines since 2004-05 are as under:

	2004-05		2005-06		2006-07	
	Nos	% age	Nos	% age	Nos	% age
Price Increased	42	12.65	99	9.72	131	12.84
Price Decreased	133	40.06	398	39,10	340	33.33
Price fixed for the first time	144	43.37	480	47.15	522	51.18
No change in prices	13	3.92	41	4.03	27	2.65
TOTAL	332	100	1018	100	1020	100